

**AMENDMENT TO THE REDEVELOPMENT AREA #1
REDEVELOPMENT PLAN**

(THE R. PERRY CONSTRUCTION, INC. REDEVELOPMENT PROJECT)

PREPARED JULY 2022

**BY THE COMMUNITY DEVELOPMENT AGENCY
OF LEXINGTON, NEBRASKA**

A. Introduction

This Amendment to the Redevelopment Area #1 Redevelopment Plan (The R. Perry Construction, Inc. Redevelopment Project) (this “Redevelopment Plan”), prepared by the Community Development Agency of Lexington, Nebraska (the “Agency”), is a guide for redevelopment activities to remove or eliminate blight and substandard conditions within the City of Lexington, Nebraska (“City”). The Mayor and City Council of the City (the "Council"), recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, designated certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the "Act").

Prior to the preparation of this Redevelopment Plan, and in compliance with the Act, the Mayor and Council designated a portion of the City as a blighted and substandard community redevelopment area, such are being commonly referred to as “Redevelopment Area #1” (referred to herein as the “Redevelopment Area”), and adopted a general redevelopment plan for the Redevelopment Area, entitled “Redevelopment Area #1 Redevelopment Plan” (the “General Plan”). In accordance with the terms of the General Plan, this Redevelopment Plan amends the General Plan to set forth a proposed redevelopment project located within the Redevelopment Area to optimize the tax increment financing ("TIF") resources available to offset certain costs deemed eligible for reimbursement by TIF under the Act, and to remove existing and avoid future blighted and substandard conditions, all as further described herein. This Redevelopment Plan contemplates the phased construction of residential housing improvements, which may consist of both low density and high density residential housing, together with such public improvements associated therewith, within the Redevelopment Area (such public and private improvements are collectively referred to herein as the "Redevelopment Project"). It is anticipated that the developer of the Redevelopment Project will be R. Perry Construction, Inc., or its affiliate (referred to herein as “Redeveloper”).

B. Redevelopment Area; Project Site; Existing Conditions

Exhibit "A", attached hereto and incorporated herein, sets forth the boundaries of the Redevelopment Area. The Redevelopment Area is identical to " Redevelopment Area #1 Redevelopment Plan," which the Mayor and Council previously declared blighted and substandard and in need of redevelopment. Exhibit "A-1", attached hereto and incorporated herein, sets forth the boundaries and existing conditions of the area to be developed as part of the Redevelopment Project (the "Project Site"). The Project Site is located within the Beans Subdivision, to the south of Cattlemen Drive, and abutting Beans Lane to the west, in the City. The Project Site is completely engrossed within the blighted and substandard Redevelopment Area and is in need of redevelopment.

C. Conformance with the Comprehensive Plan and General Plan

It is essential to the City's comprehensive plan for development (the "Comprehensive Plan") that dilapidated, inadequate, or deteriorating portions of the City conform to the current and future needs of the City as it continues to grow and expand. Exhibit "B", attached hereto and incorporated herein, shows a portion of the future use map (showing the Redevelopment Area and surrounding areas) included within the City's Comprehensive Plan. The map sets forth a Medium/High Density Residential designation for future use of the Project Site. Accordingly, the anticipated uses associated with the Redevelopment Project conform to the desired use of the Project Site set forth in the Comprehensive Plan's future use map.

The Comprehensive Plan further sets forth the following objectives:

- Increase residential land use density in established neighborhoods having redevelopment potential. Focus efforts on residential neighborhoods included in the five designated redevelopment areas within the City.
- Conduct infill residential development activities.
- Locate future higher density residential developments to buffer commercial and industrial areas from lower density single family and duplex developments.
- Develop up to 821 units of housing in the City during the next 20 years. Plan for both rental and owner housing units for all income levels, age sectors, and family types/sizes in the community.
- Provide additional housing in the City to eliminate the pent-up demand for housing for the current citizens of the community, especially families and retirees and non-traditional households.

The Redevelopment Project conforms to and will assist in carrying out the above objectives. Accordingly, the Redevelopment Project and this Redevelopment Plan are in conformance with and furthers the objectives under the City's Comprehensive Plan.

The General Plan contemplates subsequent amendments thereto to incorporate redevelopment projects that conform to objectives. Such objectives include the annexation of vacant agricultural ground to provide for development opportunities and the construction of residential development – both of which are applicable to the Redevelopment Project. Accordingly, the Redevelopment Project and this Redevelopment Plan are in conformance with and furthers the objectives of the General Plan.

D. Redevelopment Project Overview

The Agency currently owns the Project Site and intends to sell the Project Site to Redeveloper pending the approval of this Redevelopment Plan.

Following said purchase, Redeveloper intends to develop the Project Site via the phased construction of residential housing units, beginning with the construction of an apartment complex consisting of approximately three 30-unit apartment buildings (i.e., 90 total units), together with clubhouse and pool facilities (referred to herein as “Phase I”). While Redeveloper anticipates the construction of additional phases following the construction of Phase I, it is the intent of Redeveloper, the City and this Redevelopment Plan that the specific nature and details related to such subsequent phases will be incorporated via amendment(s) to this Redevelopment Plan. Exhibit "C", attached hereto and incorporated herein, sets forth the proposed site plan for the Redevelopment Project. While the site plan depicts development beyond that of Phase I, it is anticipated that the same may, and likely will, change as part of the amendment(s) to this Redevelopment Plan to incorporate subsequent phases. Accordingly, the site plan is preliminary in nature and subject to change.

The Redevelopment Project will require infrastructure improvements and other public and private improvements which are not financially feasible to undertake at one time. Completing the Redevelopment Project in phases will allow the Redeveloper to maximize the TIF resources available for public improvements, which will be necessary for the Redevelopment Project to succeed. Further, implementation of the Redevelopment Project in multiple phases will allow Redeveloper to construct the private improvements at a rate that the market can support, and to adapt subsequent phases of the project to the changing needs of the City. Accordingly, this Redevelopment Plan provides flexibility, and contemplates and authorizes the reconfiguration of the phasing, as necessary, via amendment(s) to this Redevelopment Plan.

No public acquisition of the Project Site is anticipated. Additionally, no families will be displaced as a result of the Redevelopment Project.

E. Existing Conditions

1. Existing Land Use

The Project Site currently consists of vacant agricultural land.

2. Existing Zoning

The Project Site is currently zoned as R-3 (High Density Residential).

3. Existing Public Improvements

The Project Site currently abuts Beans Lane to the west and Cattlemen Drive to the north, allowing for public access. The Project Site is without paving, sewer, water, storm sewer, electrical service, public walks, and related infrastructure, but abuts such infrastructure.

F. Proposed Redevelopment

1. Public Improvements

The Redevelopment Project will require significant infrastructure improvements and other public improvements. These improvements will include, but are not limited to:

a. Public Access; Traffic Flow, Street Layouts and Street Grades

The Project Site abuts multiple means of public access. Redeveloper anticipates the construction of multiple access points as part of its development of the overall Redevelopment Project. With respect to Phase I, Redeveloper anticipates constructing an extension of the access road to the east, which is connected to Hwy 283. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project. All streets and other public infrastructure constructed by Redeveloper will be subject to review and approval by the City's engineer or other designee of the City.

b. Construction of Water and Sewer Improvements.

Redeveloper will construct or extend water and sewer systems to provide appropriate service to the Project Site, beginning with the area encompassing Phase I; and the Project Site will be filled and graded to provide for effective surface water runoff.

c. Other incidental improvements

The Project Site is currently undeveloped and will require grading to provide effective drainage throughout the area. The Project Site requires filling and grading to properly drain the ground water runoff and provide appropriate grading levels to erect the improvements. Redeveloper also anticipates the construction of electric utilities extending to the improvements

on the Project Site. The anticipated public improvements (and costs related to the public improvements) for Phase I is listed in Exhibit "E", attached hereto and incorporated herein. Those pertaining to subsequent phases of the Redevelopment Project will be set forth in the amendment(s) to this Redevelopment Plan.

d. Additional public facilities or utilities

Other than the construction or extension of the utilities and infrastructure detailed above, Redeveloper and the City anticipate that the existing public facilities and utilities can adequately meet the demands of the Redevelopment Project.

e. Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish the Redevelopment Project. As detailed above, Redeveloper intends to purchase the Project Site from the Agency following approval of this Redevelopment Plan.

f. Population Density

The Project Site currently sits undeveloped and vacant. The Redevelopment Project is residential in nature and will increase population density in the area. Such increase will depend on the number of residential dwelling units constructed as part of each phase of the Redevelopment Project. It is anticipated that Phase I will consist of 90 units, which will increase population density commensurately. Notwithstanding, the City desires an increase in population density for the area, as evidenced by its R-3 (High Density Residential) zoning designation and the various objectives in the Comprehensive Plan related to increased population density, as detailed above.

g. Land Coverage

Land coverage for the Project Site includes approximately 70 acres of undeveloped land. It is anticipated that Phase I will be comprised of approximately five acres within the Project Site. Phase I will consist of the construction of approximately three 30-unit apartment buildings, along with clubhouse and pool facilities, with a land coverage footprint as shown on the site plan set forth in Exhibit "C". The Redevelopment Project is subject to and must comply with all applicable land coverage ratios required by the City.

h. Parking

Redeveloper will comply with all parking ratios and requirements under the City's zoning code with respect to construction of the Redevelopment Project. As shown on the site plan attached as Exhibit "C", adequate provision of parking has been made with respect to Phase I.

i. Zoning, Building Code and Ordinance

The Project Site is currently zoned as R-3 (High Density Residential), which allows for multi-family apartment complexes, such as the one proposed in relation to Phase I. Accordingly, no zoning change will be required as part of Phase I. Notwithstanding, Redeveloper will be responsible for all zoning, building code, or ordinance changes that are necessary for subsequent phases of the Redevelopment Project, if any, which shall be detailed in the amendment(s) to this Redevelopment Plan setting forth such phase(s).

3. Private Improvements

Private improvements for Phase I consist of the construction of approximately three 30-unit apartment buildings, along with clubhouse and pool facilities, in addition to the related facilities and improvements ancillary thereto. Redeveloper or other builders taking conveyance from Redeveloper will construct the private improvements. Paragraph H of this Redevelopment Plan details the anticipated construction schedule for the private improvements. The private improvements associated with subsequent phases of the Redevelopment Project will be detailed in the amendment(s) to this Redevelopment Plan setting forth such phase(s).

G. Project Costs

The total estimated costs of Phase I are \$14,013,373. The estimated costs of Phase I are attached and incorporated herein as Exhibit "D". Such figures are only estimates based upon 2022 pricing, and are subject to change without further amendment of this Redevelopment Plan. The costs associated with subsequent phases of the Redevelopment Project will be detailed in the amendment(s) to this Redevelopment Plan setting forth such phase(s).

H. Implementation

Redeveloper is unable to undertake the construction in Phase I of the Redevelopment Project without some assurance that Redeveloper can undertake the additional phases. According to Redeveloper, it could not complete the initial public improvements for Phase I but-for the approval of the entire Redevelopment Project and, likewise, the subsequent phases of the Redevelopment Project would not occur but-for these initial public improvements. Accordingly,

this Redevelopment Plan contemplates that the costs and expenses of all the public improvements for the Redevelopment Project are eligible TIF uses for each phase of the Redevelopment Project (as allocated). As such, Redeveloper may apply the TIF Revenues (defined below) generated from each phase of the Redevelopment Project toward the payment of the eligible expenses of the entire Redevelopment Project, if necessary.

Redeveloper intends to commence construction of Phase I in October of 2022, pending approval of this Redevelopment Plan. Redeveloper anticipates Phase I will be completed in approximately 18 months; provided that market demand and other extraneous factors may necessitate more or less time. As such, the foregoing anticipated start dates and completion dates are preliminary and subject to change based upon market conditions, availability of materials, workforce availability and other extraneous factors. Implementation of subsequent phases of the Redevelopment Project will be detailed in the amendment(s) to this Redevelopment Plan setting forth such phase(s).

I. Financing

The City and the Agency contemplate the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of bonds pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body (“Base Tax Amount”); and
- (b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond/note resolution, in the redevelopment project in excess of the Base Tax Amount, if any, (referred to herein as “TIF Revenues”) shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for each phase of the Redevelopment Project will be established in the “redevelopment contract” (as defined in the Act) entered into between Redeveloper and the Agency with respect to each phase. The Agency and Redeveloper anticipate that the effective dates will be different for each phase, and therefore the increment period for each phase, will be different. It is further anticipated that the Agency will issue one or more TIF bond(s) or note(s) for each phase of the Redevelopment Project, as further detailed below.

Notwithstanding any provision herein to the contrary, all tax revenues resulting from improvements constructed/installed as part of each phase shall only be divided and allocated over the applicable 15-year increment period for each phase, or payment of the TIF Indebtedness associated therewith, whichever occurs first.

1. Necessity of TIF

Redeveloper has represented and warranted to the City that it would not be economically feasible to develop the Redevelopment Project without TIF. The Redevelopment Project would not proceed but-for the use of TIF because the costs of the public infrastructure, construction of utilities and detention, site grading, dirt work, rising materials costs, and rising interest rates, among others, are expected to be greater than the return-on-investment from rents commanded by the apartments constructed as part of the Redevelopment Project upon reaching stabilization. As such, the Redevelopment Project is not a prudent investment and is not economically feasible without the assistance of TIF.

In addition to the foregoing representations of Redeveloper, the current vacant conditions of the Project Site, and the added site preparation costs related thereto, contribute to the site’s blighted and substandard condition and the infeasibility of its development without the assistance of TIF. Accordingly, the Redevelopment Project, as proposed herein, is not economically viable without the assistance of TIF and Redeveloper would not construct the same without TIF.

2. Sources and Uses of Financing

Based upon the projections provided in Exhibit "E", attached hereto and incorporated herein, the Agency and Redeveloper contemplate issuance of one or more TIF bond(s) or note(s) (the "TIF Indebtedness") for each phase of the Redevelopment Project. With respect to the TIF Indebtedness for Phase I (the “Phase I TIF Indebtedness”), the Agency and Redeveloper contemplate the issuance of a TIF bond or note in an aggregate principal amount of \$2,901,000. The Phase I TIF Indebtedness shall bear interest at a rate of 5.00% per annum. Further detail related to the Phase I TIF Indebtedness shall be set forth in the redevelopment contract or resolution authorizing the issuance of the Phase I TIF Indebtedness. The TIF Indebtedness issued in relation to subsequent phases of the Redevelopment Project will be detailed in the amendment(s) to this Redevelopment Plan setting forth such phase(s).

The total estimated cost of Phase I is \$14,013,373. Redeveloper anticipates that the balance of the public and private costs exceeding the Phase I TIF Indebtedness will be financed by a mix of equity and traditional bank financing. The above figures are only projections and are subject to change as a result of market conditions and other extraneous factors.

J. Cost-Benefit Analysis

A cost-benefit analysis for the Redevelopment is attached as Exhibit "F" and incorporated herein.

Exhibits:

- Exhibit A: Redevelopment Area
- Exhibit A-1: Project Site and Existing Land Use
- Exhibit B: Future Land Use Map
- Exhibit C: Site Plan and Future Land Use
- Exhibit D: Estimated Construction Cost
- Exhibit E: Sources and Uses of TIF
- Exhibit F: Cost-Benefit Analysis

EXHIBIT "A"

Redevelopment Area

EXISTING LAND USE MAP

**REDEVELOPMENT AREA #1, PROPOSED, REVISED
LEXINGTON, NEBRASKA**

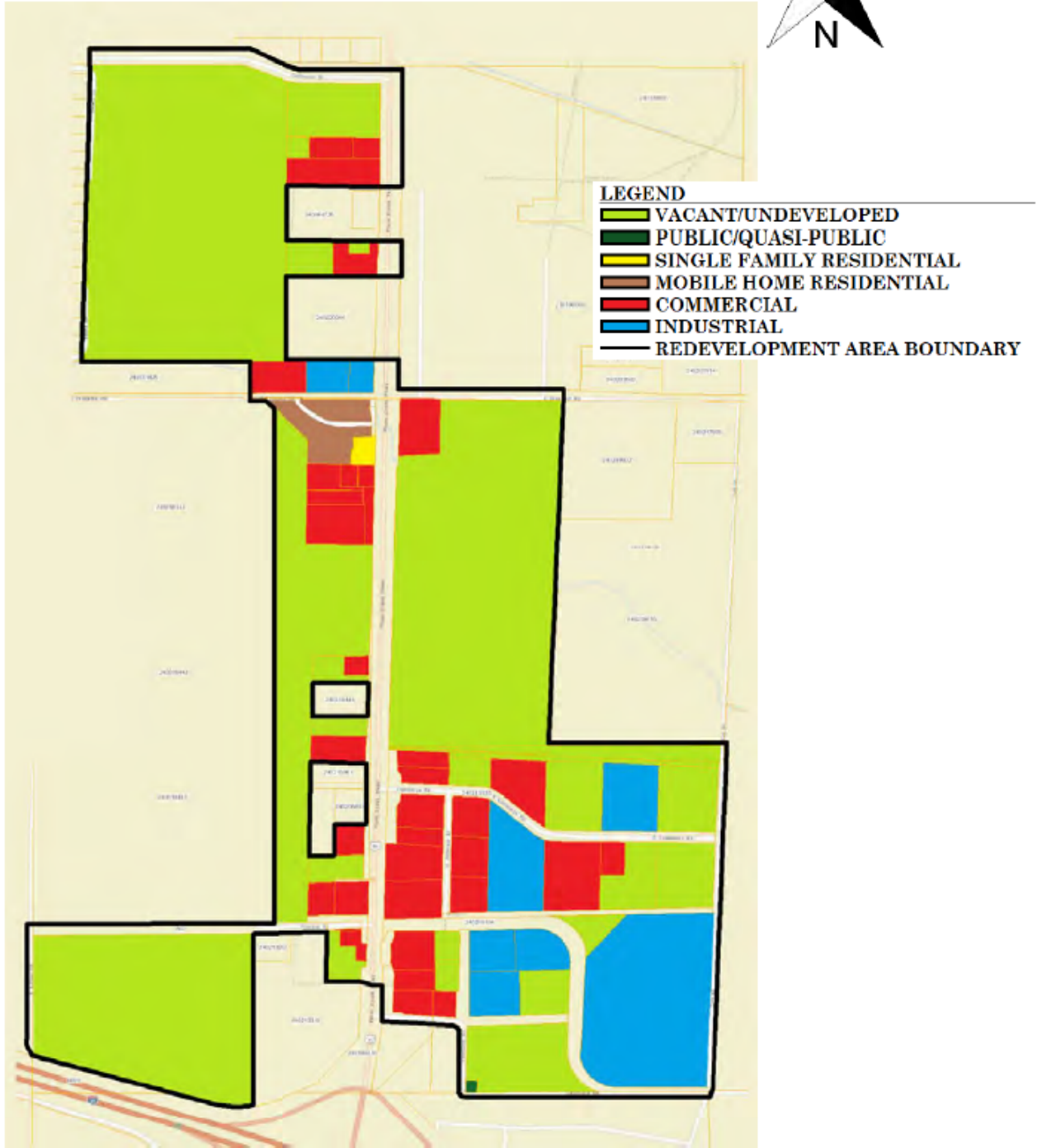
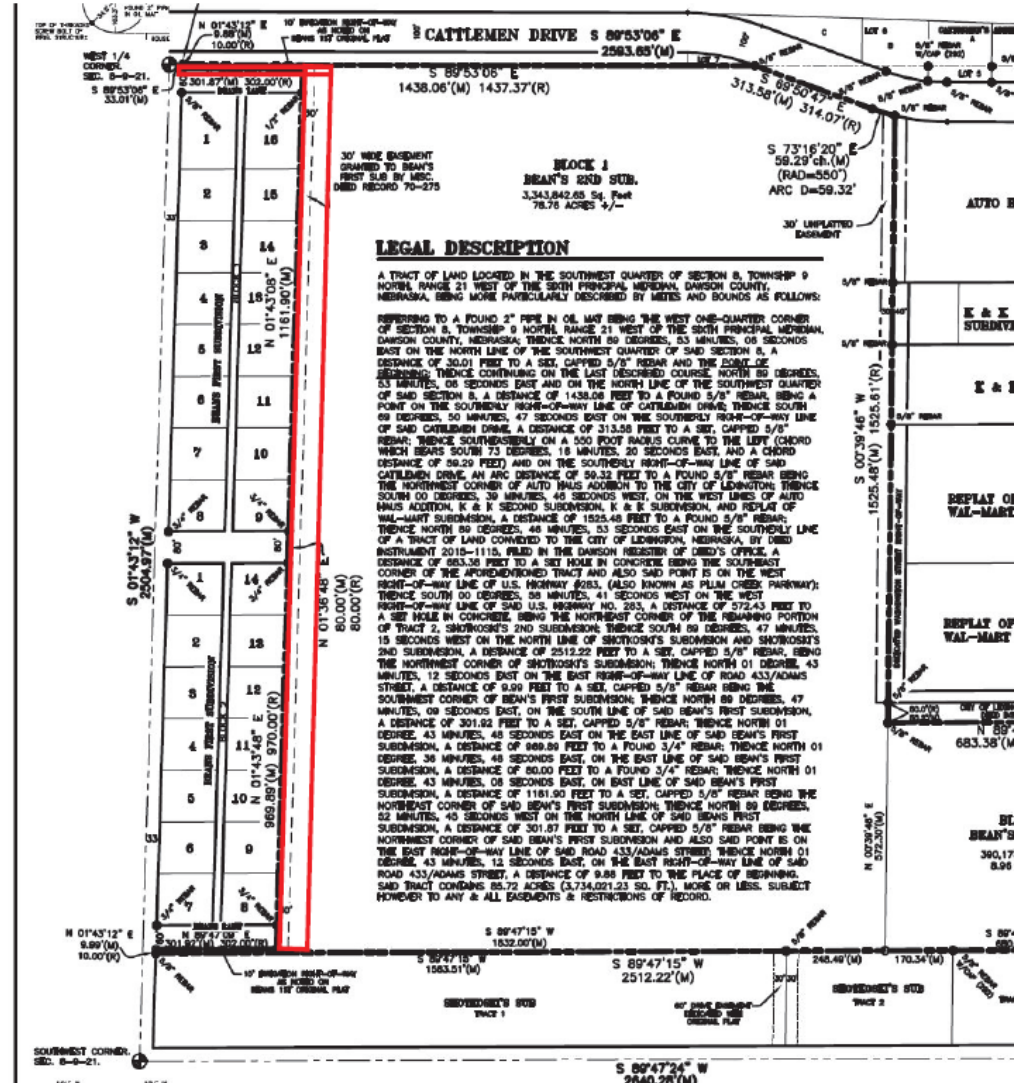
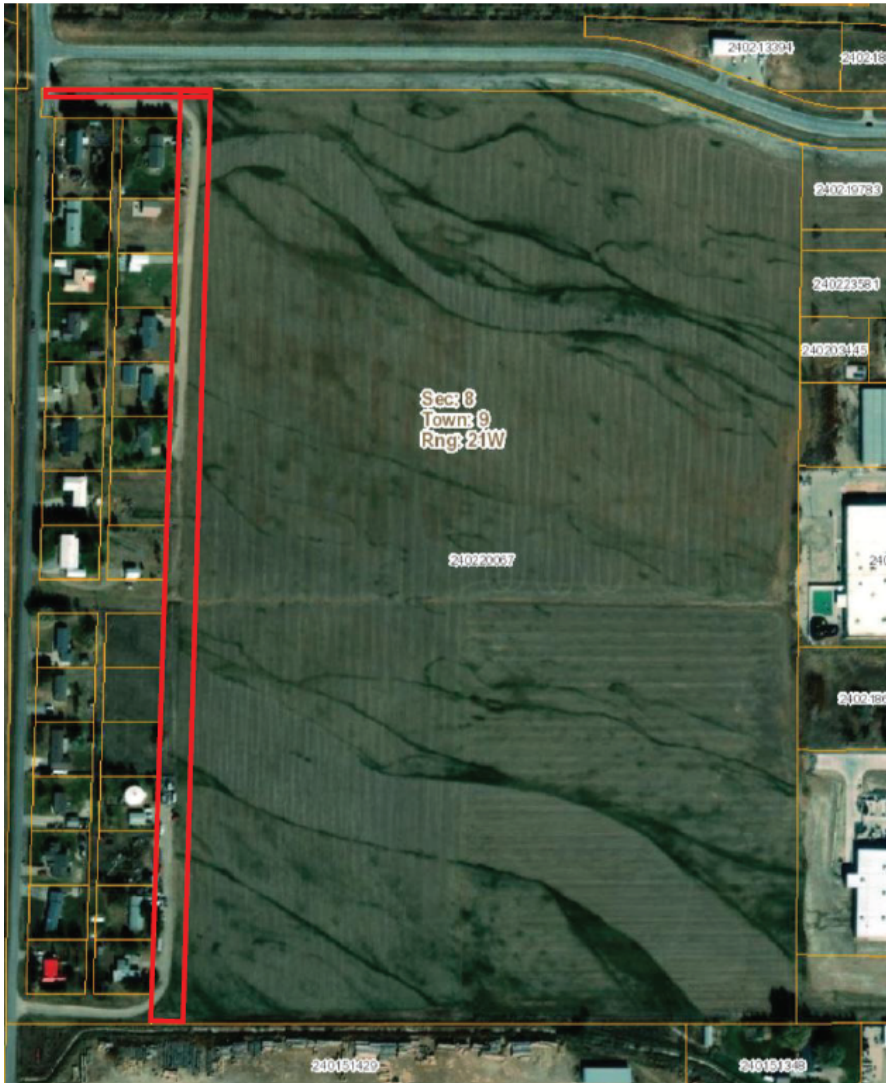


EXHIBIT "A-1"

Project Site and Existing Land Use



- * The Project Site consists of Parcel No. 240220067, less the area bordered in red, which will be retained by the Agency.
- ** In the event Redeveloper subdivides or replats the Project Site, the legal description(s) of such subdivided or replatted parcel(s) comprising the Project Site, upon final approval of the City with respect thereto, shall replace and supersede the above.

EXHIBIT "B"
Future Land Use Map

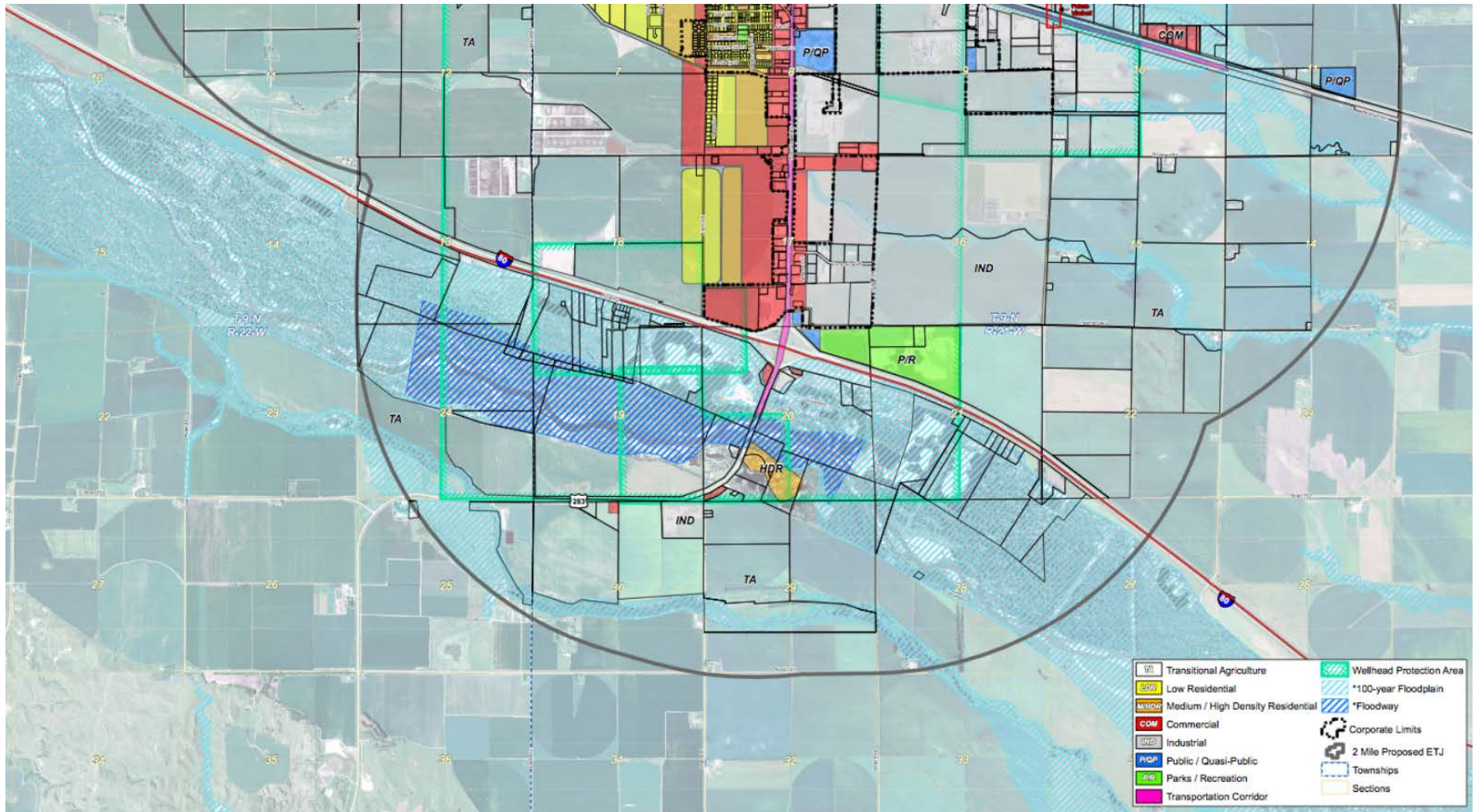
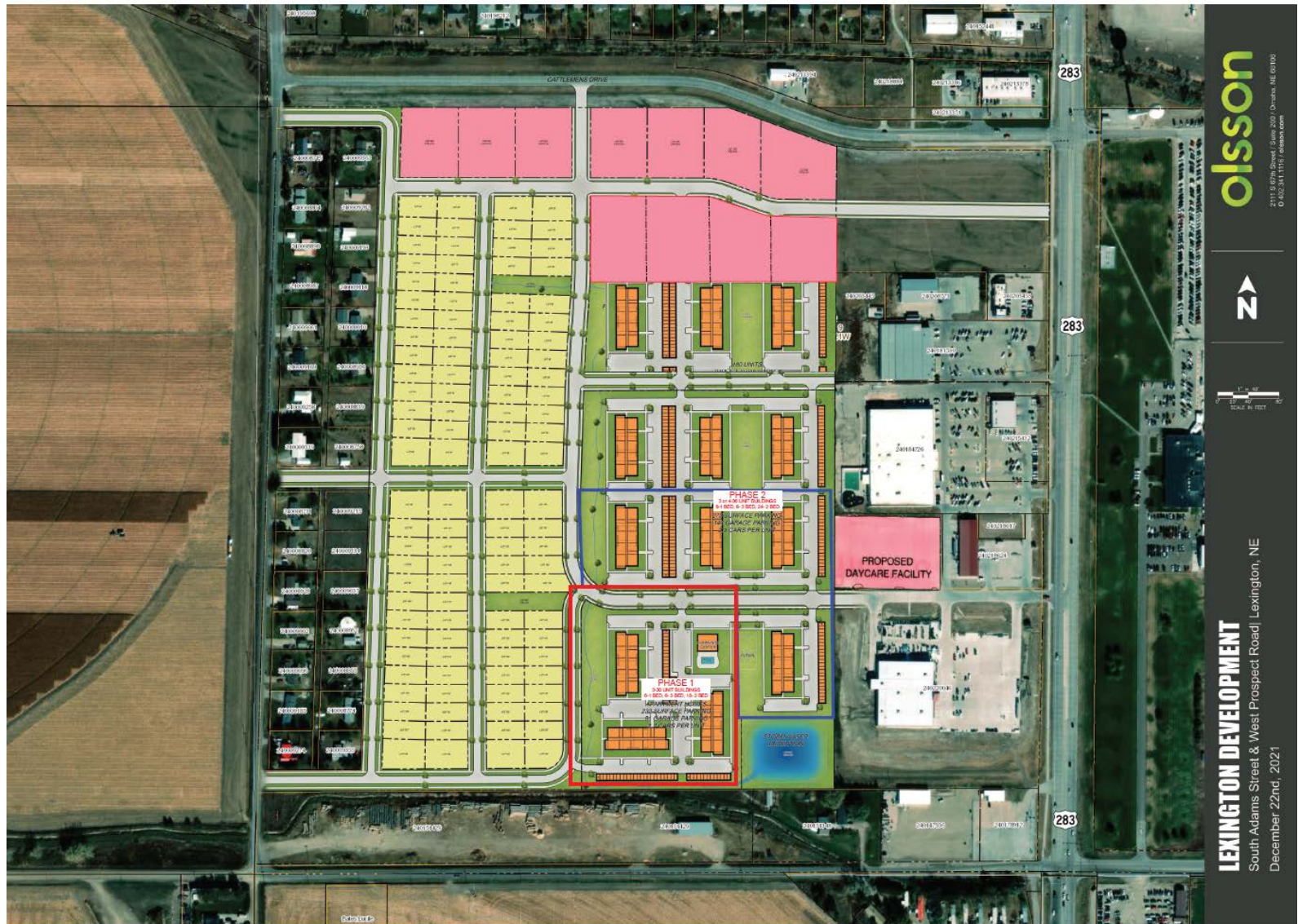


Exhibit "B"

EXHIBIT "C"

Site Plan and Future Land Use



* The attached is a preliminary site plan and is subject to change.

Exhibit "C"

EXHIBIT "D"

Estimate of Construction Costs

Site Acquisition	\$ 500,000
Site Preparation	\$ 863,000
Construction Hard Costs	\$ 11,075,450
Construction Soft Costs	\$ 1,574,923
TOTAL	\$ 14,013,373

* The above figures relate to Phase I only, and are estimated values based on current pricing. These preliminary estimates are subject to change, as Redeveloper has no control over the change in cost of materials and services between the time of the approval of this Redevelopment Plan and commencement of construction.

EXHIBIT "E"

Sources and Uses of TIF

USES:

Site Acquisition, Survey and Title	\$ 500,000
Site Preparation	\$ 863,000
Paving and Infrastructure	\$ 1,020,000
Utilities	\$ 200,000
Architecture, Engineering & Legal	\$ 278,000
Contingencies (on TIF-eligible)	\$ 308,406
Capitalized Interest (on TIF)	\$ 223,060
<u>Legal Fees</u>	<u>\$ 15,000</u>
TOTAL	\$ 3,407,466

* The above "Uses" relate to Phase I only, and are preliminary estimates based on current pricing and are subject to change.

SOURCES:

General Assumptions:

Base Value:	\$36,000
Final Value:	\$15,036,000
Tax Levy (2021):	1.91086
Phase I TIF Indebtedness:	\$2,901,000
Interest Rate:	5.00%

* The above "Sources" relate to Phase I only, are estimates based upon the assumptions in this Exhibit "E", and are subject to change..

Amortization:

DATE	Total Taxable Valuation	Less Pre-Development Base	TIF Taxable Valuation	Tax Levy	Tax Revenues	Treasurer's 1% Collection Fee	Revenues Available For TIF Loan	Debt Service Payments			Loan Balance	Capitalized Interest	Interest at 5.00%	
								Principal	Interest at 5.00%	Total				
0											\$2,901,000			
0.5	\$ 11,250,000	0	\$ 11,250,000	1.91086	\$ 107,486	\$ 1,075	\$ 106,411	\$33,886	\$72,525	\$106,411	\$2,867,114	0	72525	
1	\$ 11,250,000	0	\$ 11,250,000	1.91086	\$ 107,486	\$ 1,075	\$ 106,411	\$34,733	\$71,678	\$106,411	\$2,832,381	0	71678	
1.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$71,072	\$70,810	\$141,882	\$2,761,309	0	70810	
2	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$72,849	\$69,033	\$141,882	\$2,688,460	0	69033	
2.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$74,670	\$67,212	\$141,882	\$2,613,790	0	67212	
3	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$76,537	\$65,345	\$141,882	\$2,537,253	0	65345	
3.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$78,451	\$63,431	\$141,882	\$2,458,802	0	63431	
4	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$80,412	\$61,470	\$141,882	\$2,378,390	0	61470	
4.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$82,422	\$59,460	\$141,882	\$2,295,968	0	59460	
5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$84,483	\$57,399	\$141,882	\$2,211,485	0	57399	
5.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$86,595	\$55,287	\$141,882	\$2,124,890	0	55287	
6	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$88,760	\$53,122	\$141,882	\$2,036,130	0	53122	
6.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$90,979	\$50,903	\$141,882	\$1,945,151	0	50903	
7	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$93,253	\$48,629	\$141,882	\$1,851,898	0	48629	
7.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$95,585	\$46,297	\$141,882	\$1,756,313	0	46297	
8	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$97,974	\$43,908	\$141,882	\$1,658,339	0	43908	
8.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$100,424	\$41,458	\$141,882	\$1,557,915	0	41458	
9	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$102,934	\$38,948	\$141,882	\$1,454,981	0	38948	
9.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$105,507	\$36,375	\$141,882	\$1,349,474	0	36375	
10	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$108,145	\$33,737	\$141,882	\$1,241,329	0	33737	
10.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$110,849	\$31,033	\$141,882	\$1,130,480	0	31033	
11	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$113,620	\$28,262	\$141,882	\$1,016,860	0	28262	
11.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$116,460	\$25,422	\$141,882	\$900,400	0	25422	
12	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$119,372	\$22,510	\$141,882	\$781,028	0	22510	
12.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$122,356	\$19,526	\$141,882	\$658,672	0	19526	
13	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$125,415	\$16,467	\$141,882	\$533,257	0	16467	
13.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$128,551	\$13,331	\$141,882	\$404,706	0	13331	
14	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$131,764	\$10,118	\$141,882	\$272,942	0	10118	
14.5	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$135,058	\$6,824	\$141,882	\$137,884	0	6824	
15	\$ 15,000,000	0	\$ 15,000,000	1.91086	\$ 143,315	\$ 1,433	\$ 141,882	\$138,435	\$3,447	\$141,882	\$0	0	3447	
								\$4,227,792	\$42,274	\$4,185,518	\$2,901,551	\$1,283,967	\$4,185,518	\$0
											(F9 = calculate)			
								Original Loan Amount	\$2,901,000					
								Capitalized Interest	\$0					
								Loan Balance Remaining	\$0					
											ASSUMPTIONS:			
								1. Loan Amount:		\$2,901,000				
								2. Interest Rate:		5.00%				
								3. Increment Base:		\$15,000,000		**		

* The above figures relate to Phase I only, are estimates based upon the assumptions in this Exhibit "E", and are subject to change.

EXHIBIT "F"

Cost-Benefit Analysis (Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Redevelopment Project, as described in the attached Redevelopment Plan, which will utilize funds authorized by section 18-2147 of the Act, is provided below:

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the base value of the Project Site will continue to be allocated between the relevant taxing jurisdictions pursuant to the Act. Only the incremental taxes created by the Redevelopment Project will be captured to pay for the project's eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Redevelopment Project, the true tax shift of the Redevelopment Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the estimated 15 year tax shift for the Redevelopment Project is set forth in Exhibit "E" of the Redevelopment Plan, and is adopted hereby.

Notes:

- 1. The projected increase in ad valorem reap property taxes is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the Redevelopment Project:

a. Public infrastructure improvements and impacts:

The Redevelopment Project requires public infrastructure installation. The Project Site will require extension of paving to provide for vehicular access from abutting public rights-of-way, along with the construction and/or extension of utilities to serve the improvements constructed thereon. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project. The Project Site will be filled and graded to provide for effective surface water runoff.

The Agency and Redeveloper do not anticipate that the Redevelopment Project will have a negative impact on now-existing City infrastructure.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Redevelopment Project should create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by the Redevelopment Project, the Redevelopment Project should generate immediate tax growth for the City. The new residential dwellings and their occupants will require and pay for City services. Additionally, the City will collect sales tax on a portion of the materials used for the Redevelopment Project. It is not anticipated that the Redevelopment Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the Project Site:

The Redevelopment Project is residential in nature and is not anticipated to result in the location of new and expanded business within the Project Site. Accordingly, it is anticipated that the Redevelopment Project will not impact employers and employees locating or expanding within the boundaries of the Project Site.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the Project Site:

The Redevelopment Project will provide additional housing that is crucially important to employers and employees located within the City. Accordingly, the Redevelopment Project is anticipated to have a positive impact on surrounding employers and employees.

5. Impacts on student populations of school districts within the City:

The increase of population density within the Project Site may result in an increase in school-aged children within the related school districts. However, there is no indication that the schools within the district are unable to withstand an increase in enrollment proportionate to the size of the Redevelopment Project. The school district will not receive taxes from the residences built during the time the increased taxes are utilized to pay the TIF Indebtedness. However, the school district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the school district. The valuation that generates the TIF payments is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base value of the land will benefit the school

district. After the TIF Indebtedness is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, with respect to each phase, the increased valuation from the residential construction within such phase will be available to the school district. As such, Redeveloper and the Agency do not anticipate a negative impact on school districts located within the boundaries of the area of the Redevelopment Project.

6. Other impacts determined by the Agency to be relevant to the consideration of costs and benefits arising from the Redevelopment Project:

The Project Site is underutilized vacant land that provides little benefit to the City as a whole. The Redevelopment Project will revitalize and occupy a vacant space without negatively impacting the surrounding businesses, residents or straining the public infrastructure; and provide additional housing, which is crucially important to the continued economic health of the City. There are no other material impacts determined by the Agency relevant to the consideration of the costs or benefits arising from the Redevelopment Project. As such, the costs of the Redevelopment Project are outweighed by its benefits.

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